

Star BUSINESS



ANALYSIS

Why Bangladesh falling behind in RMG export to US

REFAYET ULLAH MIRDDHA

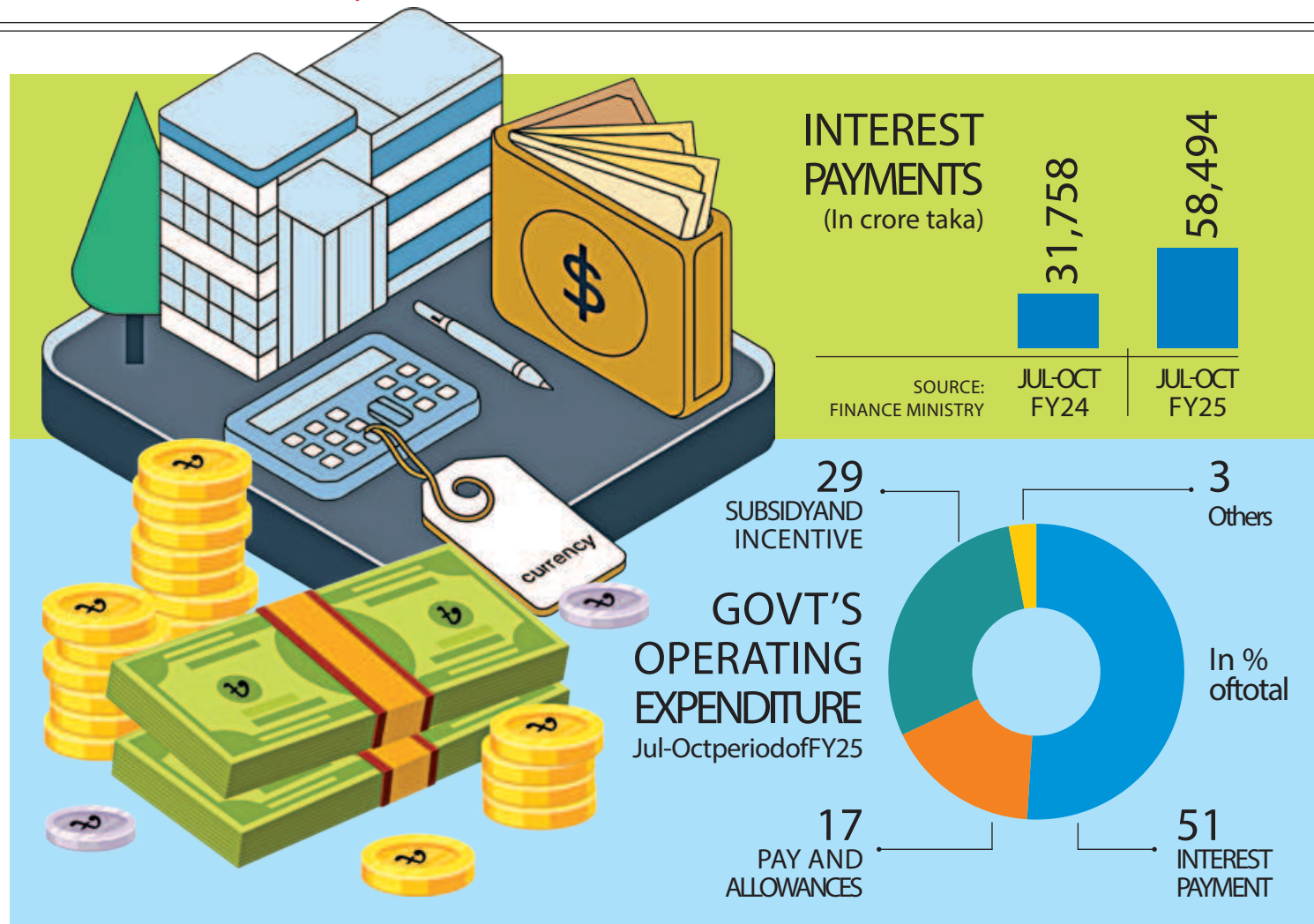
Bangladesh's garment shipments to the USA, the South Asian country's single largest export destination, have been falling over the past two years due to a market correction although other major countries have already adjusted to the scenario.

Data from the US Office of Textiles and Apparel (OTEXA), a body under the US Department of Commerce, shows that the US imported garment items worth \$72.94 billion in the January to November period of last year, registering 0.63 percent year-on-year growth.

Bangladesh accounted for \$6.76 billion of the amount, reflecting a 0.44 percent year-on-year decline. Even then, it showed signs of recovery, especially as the country saw a sharp 25 percent decrease in garments exports to the US in previous 2023.

This raises the question of how competitor countries have managed to recover garment exports to the US and why Bangladesh, the third-largest garment supplier to US markets, is taking more time to recover.

To unearth the reasons, a glance back through time is



Interest payments eat up more than half of govt revenue expenses

REJAUL KARIM BYRON and AHSAN HABIB

Over half of the government's total revenue expenditure during the first four months of the current fiscal year of 2024-25 was on interest payments alone, mainly due to increased borrowing and a rise in the interest rates.

The interest payments amounted to Tk 58,494 crore, a year-on-year surge of 84 percent.

This accounted for 51.5 percent of the government's total revenue budget, according to data from the Ministry of Finance.

Of the interest payments, around 88.5 percent or Tk 51,791 crore was made to local sources of funds.

The remaining Tk 6,702 crore was spent against foreign sources.

The country's interest payments soared as the government borrowed heavily, particularly for mega projects, often without proper research, said Mustafa K Mujeri, executive director at the Institute for Inclusive Finance and Development (InM).

This borrowing was justified by the relatively safe debt-to-GDP ratio at the time, which led to a significant increase in debt, he said.

"Borrowing was often driven by political

decisions without proper feasibility studies being conducted, leading to widespread corruption. Consequently, the loans were not utilised effectively or efficiently," he remarked.

"As a result, these projects are not generating sufficient returns to repay the loans, which ultimately becomes a burden on the budget," he added.

Some of the loans taken in recent years have short repayment periods, further exacerbating the financial strain.

An analysis of interest payment trends shows that interest payments accounted for less than 20 percent of the total revenue budget between FY2010 and FY2020.

In FY2010, interest payments represented 18.65 percent of the total revenue budget.

Only in FY2021 did the cost of interest payments increase to reach 21 percent of the total revenue budget.

However, after the pandemic, the government had to secure significant budgetary support from foreign sources, which resulted in a growing debt burden.

Interest payments on these debts began immediately after the funds were disbursed.

On the other hand, government expenditure has risen significantly, while local revenue collection has not kept pace with the increase in costs.

As a result, the tax-to-GDP ratio remains low in the country.

Bangladesh's tax-to-GDP ratio stands at approximately 8 percent, compared to 12 percent in India and 17 percent in Nepal.

Bangladesh's ratio is far below the Asia-Pacific average of 19 percent and the 25 percent average of developing countries.

"There are very few countries in the world with such a low tax-to-GDP ratio," said Mujeri, who is also a former director general of the Bangladesh Institute of Development Studies (BIDS).

"Despite this, previous governments attempted to expand the size of the budget for political reasons," he said.

This necessitated large-scale borrowing from banks and other local sources. As interest rates in the banking sector rose, the government's interest payment burden increased significantly, he explained.

Meanwhile, interest rates in the banking sector have risen by approximately 500 basis points over the last five years, pushing the government's interest payment obligations to unsustainable levels.

In fiscal year 2023-24, government debt rose by 13.3 percent year-on-year to a record Tk 18.3 lakh crore, which is 36.3 percent of the

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required.

Historically, Bangladesh's growth in garment exports to the US has varied between 10-15 percent over the last few decades. But in 2022, garment exports to the US grew by more than 53 percent, the most in a single year, to \$9.72 billion.

This unusual growth occurred mainly after the pandemic-led movement restrictions as retailers and brands imported more to meet pent-up demand in 2022.

Expectedly, exports did not continue at the same pace in the following years, especially as American retailers and brands had plenty of old stock of unsold clothing items, causing the growth rate to fall.

Moreover, during the last two years, the import of garment items by US retailers and brands was low as the severe economic fallout of the pandemic, including historic inflationary pressures, led to a fall in demand.

China, the largest global apparel supplier, has also been experiencing a similar situation. From January to November last year, China's garment exports to the US fell 0.30 percent to \$15.22 billion year-on-year.

In the same period, garment exports from Turkey to the US fell 6.77 percent to \$0.83 billion.

However, some countries, including India, Pakistan, Indonesia and Vietnam, have illustrated growth in garment exports to the US despite American retailers and brands cutting back on imports.

These countries capitalised on Bangladesh's political

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Walton's director gifting Tk 600cr shares to spouse, daughter

STAR BUSINESS REPORT

SM Rezaul Alam, one of the sponsor directors of Walton Hi-Tech Industries PLC, is transferring shares worth a total of Tk 610 crore as per the current market value to his daughter and spouse "by way of gift".

In a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday, Walton said that Rezaul, who held a 12.87 percent share of the company as of June 2024, expressed his intention to transfer 60.60 lakh shares of the local electronics giant to his daughter Roshmi Ruhi.

He also expressed interest in transferring an equal number of shares to his spouse Fahima Husna.

Both are general shareholders of Walton, and the shares will be transferred by way of gift outside the trading system of the exchange within the next 30 working days with effect from January 20, 2025, according to the disclosure.

The gift, in monetary terms, is valued at Tk 610 crore in total at yesterday's closing price of Tk 503.8 per share of Walton at the DSE.

Shares of Walton declined 1.27 percent yesterday from Tk 510.30 the previous day.

This is the second time Rezaul is going to transfer shares to his daughter and spouse by way of gift.

He had also transferred 60.60 lakh shares of Walton each to his daughter and spouse, according to a disclosure by the company on December 3 last year.

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Renewable ambitions still mired in uncertainty

Bangladesh produces only 0.8% of total power from sustainable sources

ASIFUR RAHMAN

Although the Awami League government made ambitious commitments to renewable energy before being ousted by a mass uprising in August last year, meeting those lofty goals remains a distant dream for the country.

The interim government has been trying to accelerate the transition, but experts and businesses have voiced concerns that the new tenders, which do not feature implementation agreements, may hold back progress.

According to an analysis by the Bangladesh Independent Power Producers' Association (BIPPA), Bangladesh produces the least electricity from renewable sources compared to four other comparator countries, including India, Pakistan, Vietnam and Sri Lanka.

Bangladesh's power generation mix is skewed heavily towards fossil fuels, with only 0.8 percent of energy being produced through renewables.

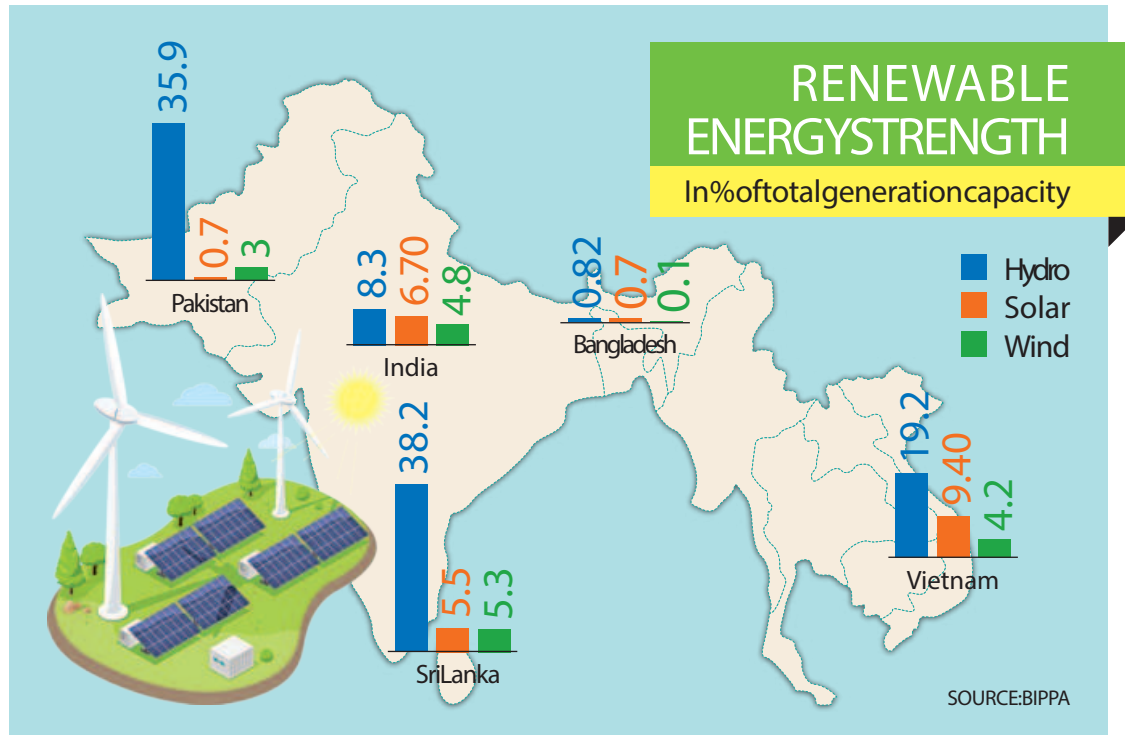
The nearest competitor, Pakistan, gets 3.7 percent of its total 42,131 megawatts (MW) of installed capacity from renewables, according to the findings, which were shared with senior government officials on Monday at Rail Bhavan.

The comparison was based on data till June 2024.

At present, Bangladesh has a total installed capacity of 27,115MW, with solar and wind contributing 663MW.

According to the findings, Vietnam is leading the charge towards renewables, followed by India and Sri Lanka.

In a fresh push, Bangladesh entered the

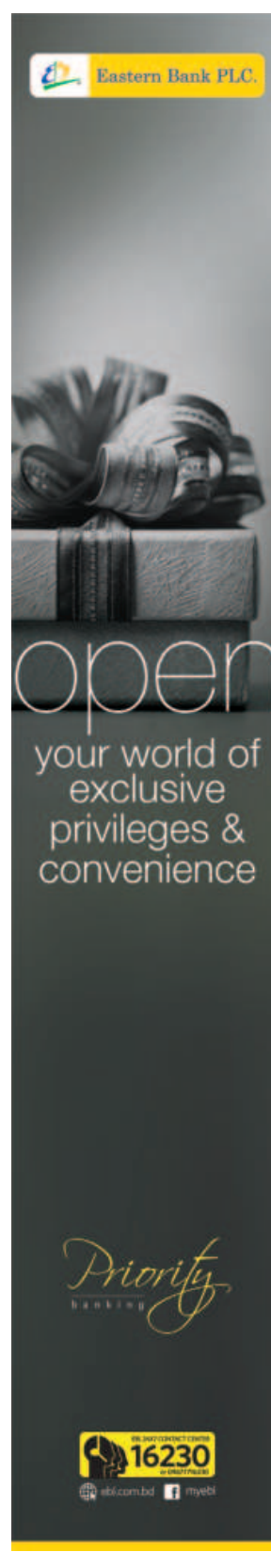


renewable energy era in 2017 with the launch of a 3MW solar power plant in Jamalpur's Sharishabari.

The Awami League government later set a global commitment to producing 6,000-16,000MW from renewable sources by 2030, but neglected due process when it came to giving primary approval.

However, after the political changeover in August, the interim government scrapped the plans for a total of 42 power plant projects, including 37 renewables plants with a combined capacity of around 3,102 megawatts (MW).

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Summit urges Petrobangla not to scrap third LNG project

STAR BUSINESS REPORT

Summit Group has urged Petrobangla to reconsider its decision to cancel the country's third floating storage and regasification unit (FSRU) project.

The termination was invalid, and Summit warned that any delay in the project could exacerbate energy insecurity in Bangladesh. Summit has already invested around \$20 million in the project, the company said in a statement.

Petrobangla notified Summit on October 7 last year that the project in southeast Bangladesh would be terminated, followed by a final termination notice on January 14.

Summit said the termination was based on claims that a performance bond for the project was submitted by its local parent, Summit Corporation Ltd, rather than Summit LNG Terminal II Co Ltd (SLNG II), a Dhaka unit of Summit Power International Limited based in Singapore.

Additionally, Petrobangla claimed the bond did not comply with an agreed template and was not submitted within the stipulated 90-day deadline.

As a result, Summit stated it had sought legal advice from international and local firms—Herbert Smith Freehills and Kamal Hossain & Associates—which confirmed that the termination was invalid under the terms of the terminal use agreement.

Summit engaged with Petrobangla and the government under the agreement to reconsider the decision. The company

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Panasonic launches locally manufactured ACs for Bangladesh

STAR BUSINESS DESK

Panasonic, a technology company with over 65 years of expertise in manufacturing air conditioners (ACs), recently launched its new range of inverter AC line-up, the KU series, manufactured in Bangladesh. The new models are customised to suit local needs and are available in 1.0, 1.5, and 2.0-tonne models, which are now available across all retail outlets of our authorised partners in the country. Fumiyasu Fujimori, managing director of Panasonic Marketing India, PLSIND, inaugurated the Made-in-Bangladesh Aircon KU-series in Dhaka, according to a press release. Fujimori said, "Bangladesh is a strategic country for Panasonic in the South Asia region, and the launch of our new range of ACs has been based on consumer feedback and designed to suit the local environment."

offering a connected, comfortable, convenient, and energy-saving solution – Panasonic's new range of ACs promises technology, durability, trust, and quality," he added. Commenting on the launch, Bhupender Bhardwaj, senior general manager of SAARC, PLSIND, said, "We have been a committed partner of Bangladesh for several decades, contributing to our consumers' needs that extend beyond basic cooling, indoor air hygiene, efficiency, and technological integration (connectivity)." "We will continue to sell our advanced range of smart, inverter Air Conditioners to our customers to redefine their smart home experience," he added. The new series comes with advanced technology-enabled features such as MirAI – an IoT-enabled connected platform, True AI – automatic adjustment for optimal comfort cooling, and personalized sleep profiles.



Fumiyasu Fujimori, managing director of Panasonic Marketing India, PLSIND, poses for photographs after inaugurating the new range of inverter ACs manufactured in Bangladesh recently. PHOTO: PANASONIC

Eastland Insurance organises annual branch managers' conference



Mahbubur Rahman, chairman of Eastland Insurance, attends the "38th Annual Branch Managers' Conference-2025" at the DCCI auditorium in the capital's Motijheel recently. PHOTO: EASTLAND INSURANCE

STAR BUSINESS DESK

Eastland Insurance PLC recently organised the "38th Annual Branch Managers' Conference-2025" at the DCCI auditorium in the capital's Motijheel. Mahbubur Rahman, chairman of the insurance company, inaugurated the conference as the chief guest, the insurer said in a press release. Rahman expressed gratitude to Almighty Allah for His divine blessings, which helped the company achieve 84 percent of the business target set for the year 2024, despite the global economic recession and the consequences of the abnormal price hikes of essential goods and financial losses faced by the world economy. He appreciated the management team, including all executives and employees of the company, for their best efforts in promoting the business during these tough times. He also commended everyone for achieving the 'AAA' Credit Rating during the year 2024. Rizwan Rahman, vice-chairman of the insurer, and Kamal Uddin Ahmed and Md Tysir Khan, members of the board, attended the event, where Mohammed Salim, chief executive officer, presented an analytical report on the company's yearly business.

Master Builder celebrates 28th anniversary

STAR BUSINESS DESK

Master Builder Limited, a real estate company in Bangladesh, celebrated its 28th anniversary at the Army Golf Club in Dhaka on Tuesday. Maj (ret'd) Shibbir Ahmad Khan, managing director of the realtor, inaugurated the celebration, said a press release. In an effort to ensure environment-friendly dream housing, Master Builder has been tirelessly working since 1997 and is now stepping into its 29th year of a glorious journey. The company aimed to provide housing facilities for the middle-income group of Dhaka city. Nadira Khan, director of the company, supervised the event. The realtor is equipped with a large number of qualified architects and designers who are engaged in all projects. It has gained a reputation and confidence among customers and landowners for its uncompromising quality work within the given timeline and the use of building materials. The real estate company has already handed over more than 1,000 flats.



Maj (ret'd) Shibbir Ahmad Khan, managing director of Master Builder, and Nadira Khan, director, pose for group photographs with flat and landowners, and employees of the company, at its 28th anniversary celebration at the Army Golf Club in Dhaka on Tuesday. PHOTO: MASTER BUILDER

Pubali Bank opens Islamic banking corner in Khamarbari

STAR BUSINESS DESK

Pubali Bank PLC launched the "Islamic Banking Corner" at the Khamarbari branch in the Farmgate area of Dhaka yesterday in a bid to meet the growing demand for Islamic banking services. Through the corner, customers will have easy access to a full range of Islamic banking services. Md Saiful Alam, director general of the Department of Agricultural Extension (DAE), inaugurated the corner as the chief guest, said a press release. Speaking at the event, Alam said Islamic banking is not just a financial service; it is a system grounded in ethics and religious principles. "Pubali Bank's initiative will provide convenience for customers and contribute significantly to the country's economic development," he added. Mohammad Ali, managing director and CEO of the bank, attended as the guest of honour. Commenting on the establishment of the Islamic Banking Corners, Ali said, "The demand for Islamic banking services is increasing, and to meet this demand, Pubali Bank has already set up Islamic Banking Corners in various branches across the country." "These corners enable customers to conduct transactions in accordance with Islamic principles while benefiting from modern technology and secure banking facilities," he added. AKM Abdur Raqib, general manager and head of the Dhaka North region of the bank, presided over the programme, where Dewan Jamil Masud, general manager and head of the Islamic banking wing, was present as the special guest.

Adidas profits jumped in 2024

AFP, Frankfurt

Adidas on Tuesday said that its operating profit jumped five-fold last year, as the German sportswear giant moves past a crisis triggered by its split from musician and entrepreneur Kanye West. Full-year operating profit jumped to 1.34 billion euros (\$1.39 billion), up from 268 million in 2023, according to preliminary results from the company. Sales jumped 11 percent from the previous year and hit 23.7 billion euros, better than expected. It marked a stark turnaround from 2023, when Adidas's earnings were hammered by the end of its collaboration with West, with whom the company had designed the blockbuster line of Yeezy trainers.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 22, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 84	4.05 ↑	12.41 ↑
Coarse rice (kg)	Tk 54-Tk 58	6.67 ↑	9.80 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 170-Tk 172	4.27 ↑	8.57 ↑
Potato (kg)	Tk 25-Tk 40	-53.57 ↓	-23.53 ↓
Onion (kg)	Tk 45-Tk 60	-47.50 ↓	-32.26 ↓
Egg (4 pcs)	Tk 44-Tk 48	-3.16 ↓	5.75 ↑

SOURCE: TCB

Government of the People's Republic of Bangladesh
Wage Earners' Welfare Board
Ministry of Expatriates' Welfare & Overseas Employment
Probashi Kallyan Bhaban
71-72, Eskaton Garden, Ramna, Dhaka-1000
www.wewb.gov.bd

Memo No. 49.04.0000.004.07.005.22-132 Date: 22-01-2025

Invitations for e-Tender (OTM) Notice

This is online tender, where only e-Tender will be accepted in the National e-GP Portal and no hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

Tender ID No.	Name of work	Last selling date & time	Tender closing date and time
1067268	Providing assistance work to migrants and returnees in Hazrat Shahjalal International Airport (HSIA) under the Wage Earners' Welfare Board.	05-02-2025 5:00pm	06-02-2025 11:45am

Sd/- 22/01/2025
Director (Admin & Development)
Deputy Secretary
E-mail: d.ad@wewb.gov.bd

GD-240

Maj Gen Md Masudur Rahman, adjutant general of the Bangladesh Army and vice-chairman of Trust Bank, inaugurates the relocated and renamed Army Stadium branch at Captain's World-2, Banani on Airport Road. PHOTO: TRUST BANK

Trust Bank opens relocated Army Stadium branch

STAR BUSINESS DESK

Trust Bank PLC opened its relocated and renamed Army Stadium branch at Captain's World-2, Banani on Airport Road at Dhaka Cantonment in the capital on Tuesday. Earlier, the branch was named after the Radisson Water Garden Hotel branch. Maj Gen Md Masudur Rahman, adjutant general of the Bangladesh Army and vice-chairman of the bank, inaugurated the branch, the bank said in a press release. Among others, Ahsan Zaman Chowdhury, managing director of the bank, along with the bank's directors, senior officers from the Bangladesh Army, and senior officials of the bank, attended the event.

Government of the People's Republic of Bangladesh
Office of the Upazila Health & Family Planning officer
Upazila Health Complex
Rajoir, Madaripur.

Memo No. UHC/RAJ/MADAR/MSR/TENDER/2024-2025/97 Date: 22-Jan-2025

e-Tender Notice (NCT)

e-Tender is in the e-GP System Portal (<https://www.eprocure.gov.bd>) for the procuring of following goods.

Tender ID	Name of Tender	Package No	Last Selling Date	Closing & Opening Date	Remarks
1063906	Procurement of Medicine (Non-EDCL) for the F.Y 2024-2025 at Rajoir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/01	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063907	Procurement of MSR Instrument for the F.Y 2024-2025 at Rajoir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/02	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063908	Procurement of MSR Linen Items for the F.Y 2024-2025 at Rajoir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/03	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063909	Procurement of Gauze, Bandage & Cotton for the F.Y 2024-2025 at Rajoir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/04	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063910	Procurement of Chemical Re-Agent for the F.Y 2024-2025 at Rajoir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/05	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063911	Procurement of MSR Furniture for the F.Y 2024-2025 at Rajoir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/06	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM

1. This is online Tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.
2. To submit e-Tender, registration in the National e-GP system portal (<https://www.eprocure.gov.bd>) is required.
3. Detail about the Tender have shown in e-Tender notice and e-Tender document. Further information and guidelines are available in the National e-GP help Desk (helpdesk@eprocure.gov.bd).

Sd/- 22/01/25
Dr. Mohammed Shamim Akter
UH&FPO
Upazila Health Complex
Rajoir, Madaripur.

GD-246

Bangladesh must switch to hollow blocks to reduce pollution

Says Concord Group Managing Director Shahriar Kamal

JAGARAN CHAKMA

Clay bricks cost Tk 12 per piece. A hollow block, which is four times larger than a clay brick, is priced at Tk 50.

This price difference suggests a competitive edge for clay bricks in the construction market.

But the true cost of traditional bricks extends far beyond their purchase price.

Overlooked factors include Dhaka's frequent ranking as one of the world's most polluted cities. This severe air pollution, largely caused by brick kilns, is responsible for a tragically shortened lifespan for many people.

"This cannot continue," said Shahriar

the burning of vast amounts of coal and wood, releasing harmful particulates and greenhouse gases into the atmosphere.

"The process is unsustainable," said Kamal. "As construction demand increases each year, the environmental toll intensifies."

In contrast, hollow blocks are manufactured using a more sustainable approach. They are produced with materials such as fly ash, cement, and other industrial by-products. This process does not require burning, as the blocks are simply dried.

According to Kamal, hollow blocks are lighter but have superior strength. Therefore, they are suitable for construction in earthquake-prone regions like Bangladesh.

"Buildings constructed with hollow blocks are much lighter than those built with traditional bricks," he explained. "This reduced weight offers an advantage during earthquakes, minimising the risk

"Many workers are not familiar with how to work with these blocks," said Kamal. "For example, traditional bricks require soaking before use, whereas hollow blocks are installed dry."

"We arranged training for the workers several times," he said, "but this effort needs to be scaled up with government support to ensure nationwide adoption."

Kamal acknowledged that cost is another barrier to the widespread adoption of eco-friendly bricks.

"While eco-friendly bricks may have a slightly higher initial cost compared to traditional bricks, they offer long-term savings," he commented. "Proper planning and mindful design can reduce overall construction costs by about 15 percent."

In 2020, the government announced a policy to replace traditional bricks with eco-friendly blocks in all public projects. This policy aimed to achieve a 10 percent adoption rate in fiscal year (FY) 2019-20,

private-sector construction projects."

He pointed to successful examples from countries like China and India, where the adoption of eco-friendly bricks has been accelerated through a combination of financial incentives, strict enforcement of environmental regulations, and comprehensive public awareness campaigns.

Kamal said their facilities have the capacity to manufacture 200,000 eco-friendly bricks, blocks, and tiles every eight hours. But, without enough demand, they cannot operate at full capacity.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.



Kamal, managing director of the construction conglomerate Concord Group, in an interview with The Daily Star. "To reduce pollution, we need to switch to green alternatives as soon as possible."

Kamal's firm has been producing concrete and hollow blocks since 1998.

They built the 17-acre Lake City Concord township in Dhaka entirely without using a single clay brick. This township comprises 14 buildings, each rising to 16 storeys.

Given the longstanding reliance on clay bricks in the local construction sector, questions naturally arise regarding the feasibility, cost-effectiveness, and urgency of transitioning to hollow blocks.

Traditional brick kilns extract clay by stripping topsoil from fertile lands, resulting in an annual loss of around 1 percent of the country's arable land.

This practice not only devastates agricultural productivity but also involves

of collapse and subsequent casualties."

According to the Managing Director of Concord Group, although hollow blocks offer many advantages, the adoption rate of eco-friendly bricks remains low. Only 5-8 percent of bricks currently in use are eco-friendly.

For the slow shift, he said a lack of awareness among builders, insufficient training for construction workers in the use of these blocks, and a strong entrenched preference for traditional bricks are responsible.

with a gradual phasing out of clay bricks by FY25.

However, slack monitoring and enforcement have hindered progress towards these ambitious goals.

"Implementation is key," Kamal stressed. "We need strong inter-ministerial coordination, led by the Ministry of Environment, to oversee the implementation of these policies. Regulatory bodies like Rajdhani Unnayan Karttripakkha (Rajuk) must also play a crucial role by enforcing these targets in

Trump touts \$500b AI project

AFP, Washington

President Donald Trump on Tuesday announced a major investment to build infrastructure for artificial intelligence led by Japanese giant Softbank, cloud giant Oracle and ChatGPT-maker OpenAI.

The venture, called Stargate, "will invest \$500 billion, at least, in AI infrastructure in the United States," Trump said in remarks at the White House.

"This monumental undertaking is a resounding declaration of confidence in America's potential," he said, a day after his swearing in for a second term.

OpenAI's chief executive Sam Altman, SoftBank's chief Masayoshi Son and Oracle founder Larry Ellison attended the announcement.

Their project is committed to invest an initial \$100 billion and up to \$500 billion over the next four years in the project, according to Son.

The venture comes as big tech players are scrambling to meet AI's voracious computing needs, as well as find the electric power necessary to expand the new technology.

Trump said Stargate will be building the physical and virtual infrastructure to power the next generation of advancements in AI, including the construction of "colossal data centers."

OpenAI later said in an X post that the project "will not only support the re-industrialization of the United States but also provide a strategic capability to protect the national security of America and its allies."

Sri Lanka's inflation dropped to minus 2% in December

REUTERS

Sri Lanka's consumer price inflation dropped to minus 2 percent year-on-year in December after easing to minus 1.7 percent in November, official data showed on Tuesday, as the country posted a strong rebound from its worst financial crisis in decades.

The National Consumer Price Index captures broad retail price inflation and is released with a lag of 21 days every month.

Prices in the food category moved to minus 1 percent after posting 0.0 percent in November. In the non-food category, prices changed to minus 2.9 percent on the month from minus 3.1 percent in November.

Inflation is likely to remain low in the next six months after Sri Lanka reduced its household power tariffs by 20 percent earlier this month.

Under the latest revision, industries will get a reduction of 30 percent while businesses in the tourism sector, a key foreign exchange earner for the island nation, will see their power prices slump by 31 percent.

US pulls out of global corporate tax deal

AFP, Washington

US President Donald Trump's decision to withdraw from a global minimum tax agreement on his first day in office has unnerved EU officials, who expressed "regret" over the move.

Trump signed a flurry of executive orders within hours of taking the oath of office on Monday, pulling the United States out of the Paris Climate Accords and the World Health Organisation (WHO), and undoing many of his predecessor's policies.

Among them was a measure pulling the United States out of the Organization for Economic Co-operation and Development's (OECD) global tax deal, signed by close to 140 countries, which levied a 15 percent minimum tax on corporate profits.

The executive order also requires officials to "investigate" whether countries had or planned to implement rules "that are extraterritorial or disproportionately affect American companies," and

to draw up recommendations for retaliatory measures within 60 days.

EU economy commissioner Valdis Dombrovskis expressed "regret" over the move during a press conference in Brussels on Tuesday, adding that the EU remained "committed" to its international obligations.

"We trust that it's worth taking the time to discuss these matters with the new US tax administration in order to better understand their asks and explain also our position," he said.

The Tax Justice Network said Trump's executive order effectively "requires countries to cede their tax sovereignty over multinationals operating within their own borders -- or face serious countermeasures."

"Trump hasn't just killed the OECD's weak tax reforms, he's effectively threatening to scrap everything built over the last century and to take the world back to 'robber baron'-era tax policies," Alex Cobham, the organization's chief executive, said in a statement.

As Trump takes aim at EVs, how far will rollback go?

AFP, New York

As part of his flurry of first-day actions, US President Donald Trump took aim at electric vehicles, a cornerstone of the Biden administration's climate change agenda.

Trump's executive order on "Unleashing American Energy" on Monday included steps to ensure a "level" playing field for gasoline-powered motors and halt federal funding to build new EV charging stations.

The executive order also appeared to presage other reversals, referencing the possible elimination of a federal tax credit for EV purchases and the renouncement of a US waiver that allows California to set stricter requirements on cars.

During his inaugural address, Trump said the moves would "end" the "Green New Deal," ridiculing Biden-backed incentives for EV sales.

While Trump harshly criticized EVs during the presidential campaign, policy experts have been skeptical Trump will junk all the Biden-era EV programs, in part because significant federal funding has gone toward projects in Republican congressional districts, where thousands of jobs are expected to be created.

Shares of EV makers like Rivian and EV charging companies such as EVgo fell sharply Tuesday. Tesla, which is led by



Visitors watch a BYD Sealion 7 electric vehicle (EV) by Chinese car manufacturer BYD on display at Singapore Motorshow in Singapore on January 9. While Trump harshly criticised EVs during the presidential campaign, policy experts have been sceptical he will junk all the Biden-era EV programmes.

PHOTO: AFP

close Trump ally Elon Musk, also fell.

Kathy Harris, director for clean vehicles of the Natural Resources Defense Council, called Trump's policy a sop for "fat-cat oil executives," noting that EVs are better for the environment and can save consumers money on gasoline.

Many of Trump's executive orders are expected to face legal challenges, a

possible outcome for the EV measures.

"This is not the end of this story," Harris said. "If the administration tries to cut corners or ignore the law, they will end up in court."

The Alliance for Automotive Innovation, which has previously endorsed the need for stable auto rules, reiterated its criticism of California's

Garment exports to EU rose 3% in Jan-Nov

STAR BUSINESS REPORT

Bangladesh's garment exports to the European Union grew by 2.99 percent year-on-year to \$18.15 billion in the January-November period of 2024.

In terms of volume, apparel shipments to the EU increased by 8.22 percent.

However, the unit price of garments experienced a 4.83 percent year-on-year decline during the 11-month period, offsetting the gains and highlighting the challenges of maintaining profitability amid a downward price trend.

Overall EU imports, amounting to \$85.36 billion during this period, saw a modest 0.86 percent rise in value but a substantial 8.04 percent increase in volume, according to data from Eurostat.

In this context, Bangladesh outpaced the EU's overall import growth.

Meanwhile, Eurostat data revealed a significant 6.65 percent drop in the average unit prices of garments shipped to the EU.

This downward price pressure significantly impacted major sourcing countries, including Bangladesh.

One key competitor, Cambodia, outshone Bangladesh by posting an exceptional 20.66 percent growth in exports to the EU, although the total volume remained lower at \$3.88 billion.

INDUSTRIAL RAW MATERIALS

BSTI to issue clearance certificates for import

STAR BUSINESS REPORT

The Bangladesh Standards and Testing Institution (BSTI) has decided to issue temporary clearance certificates for imported industrial raw materials under certain conditions, focusing on service simplification and the issue of port demurrage for businesses.

In a notice issued by BSTI on Tuesday, it was stated that the government brought 299 products under the purview of mandatory quality certification through the issuance of statutory regulatory orders in view of public interest.

Among these products, 79 items fall under the mandatory quality certification requirements as per the import policy order.

When these products are imported, businesses are required to obtain pre-clearance from BSTI based on the standards before final customs assessment and to submit a copy of the clearance to the customs authorities.

Dutch-Bangla Bank's Tk 1,200cr bond gets nod

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission has approved Dutch-Bangla Bank's plan to raise Tk 1,200 crore through subordinated bonds, according to a stock exchange disclosure.

The bonds will be fully redeemable, non-convertible, unsecured, and floating rate subordinated bonds.

The private bank plans to issue 1,200 bonds, each with a face value of Tk 1 crore, to bolster its Tier-2 capital under Basel III regulations and enhance its regulatory capital base.

A fully redeemable, non-convertible, unsecured, floating rate subordinated bond is a debt instrument that must be repaid in full upon maturity and cannot be converted into equity. It is not backed by collateral and carries a variable interest rate.

car regulations in a statement that did not address other elements in Trump's executive order.

"The country should have a single, national standard to reduce carbon in transportation," said the group's president, John Bozzella. "We can't have regulations that push the industry too far ahead of the customer."

The new policy comes as automakers pause some EV investments due to slowing growth, even as sales of emission-free vehicles climb to new levels in the United States.

In 2024, EV sales in the country reached 1.3 million, up 7.3 percent from the prior year, according to Cox Automotive's Kelley Blue Book, which pointed to a meaningful rise in EVs at different price levels.

But GM, Ford and other automakers have scaled back some EV investments in recent months, pointing to slowing demand growth. A Ford executive warned in November that a glut of EVs across showrooms will lead to "incredible pressure" on prices in 2025.

The broadside against EVs followed Trump's targeting of the vehicles during the presidential campaign, when he claimed Democrat Kamala Harris wanted to force EVs on consumers.

Harris said that she favored consumer choice.